



CITY OF HOUSTON

Finance and Administration
Department

Interoffice

Correspondence

To: Mayor Bill White
Members of City Council

From: Judy Gray Johnson, Director
Finance and Administration

Date: July 30, 2004

Subject: **June Monthly Financial and
Operations Report**

Attached is the Monthly Financial and Operations Report for the period ending June 30, 2004.

General Fund Revenues

Our revenue estimates for the General Fund have decreased by \$3 million since last month. There are several offsetting increases and decreases. The major ones are as follows:

- Property Tax revenues increased by \$895 thousand due to higher than expected collections in June;
- Industrial Assessments increased by \$410 thousand based on higher than expected collections in June; and,
- Direct Interfund Revenues decreased by \$4.3 million based on lower than expected billings in June for engineering services, fire services and an interfund inventory adjustment. These figures are subject to additional reconciliation in the year end closing process, and we will be reviewing these accounts to determine whether there are additional adjustments needed and whether we should have identified the decrease in revenues sooner.

General Fund Expenditures

Our expenditure estimates have decreased by \$4.5 million since last month. This is due to underspending in most departments. We have included estimated additional expenses that will be recorded as the books are closed, such as termination pay.

General Fund Balance

We estimate the ending undesignated fund balance at \$92.4 million, an increase of more than \$9 million from the start of the year. This is primarily due to the improved receipts of property tax and sales taxes in the last few months. The ending General Fund cash balance of \$45 million is well above our previous estimates, in large part due to collections received in the last few days of the fiscal year.

If you have any questions, please let me know.


Judy Gray Johnson, Director